THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) On a review of macroeconomic and monetary developments, the Reserve Bank of India (RBI) reduced Bank Rate by 0.5 percentage point from 7.0 per cent to 6.50 per cent with effect from the close of business on October 22, 2001 as a part of monetary policy measures which are announced six monthly. At this level, it is the lowest Bank Rate since May 1973. Cash Reserve Ratio (CRR) was also reduced by 200 basis points to 5.50 per cent from 7.50 per cent of Net Demand and Time Liabilities (NDTL).

(b) All scheduled commercial banks (excluding regional Rural Banks) were required to maintain with the RBI a CRR of 7.5 per cent of their NDTL prior to announcement of the mid-term review. While the statutory minimum requirement of CRR maintenance at 3.0 per cent is obligatory on the banks additional CRR, ranging between 4.5 per cent and 12.0 per cent since 1981, was imposed from time to time in order to reduce the overflow of liquidity due to excessive money supply in the economy. With a view to rationalizing CRR prescription and moving towards the long term goal of keeping CRR normally at the statutory level, changes were made in respect of the coverage as well as the level of CRR for the banking system.

It is expected that the recent changes in policy with regard to CRR will facilitate the development of a short term yield curve, develop money market, reduce the regulatory arbitrage between banks and non-banks, enhance the availability of lendable resources with the banks and improve the efficiency of indirect instruments in the conduct of monetary policy.

(c) and (d) The commercial banks are free to determine their interest rate structure on bank deposits excepting savings bank accounts, keeping in view their own asset liability structure. In addition, banks are permitted to formulate fixed deposit schemes specifically meant for senior citizens offering higher and fixed rates of interest as compared to normal deposits of any size.

The changes in interest rates are in consonance with the decline in inflation and as such are not expected to affect the interest of common depositors adversely.

Oil pool account

*218. SHRI KARNENDU BHATTACHARJEE: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to recent happenings around India, the deficit in oil pool account has increased considerably;

(b) if so, the estimated deficit by the end of current financial year; and

(c) the steps proposed to be taken to reduce the deficit?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK): (a) No, Sir.

(b) Does not arise in view of (a) above.

(c) The management of the oil pool account is a continuous process and the strategy to manage the same depends *inter alia* on various factors *viz*. the prevalent international prices of crude oil/ petroleum products, exchange rate, duty structure, domestic selling prices of controlled products (motor spirit, high speed diesel, kerosene for public distribution and domestic LPG) etc. The oil pool deficit is monitored by the Government and appropriate action is taken from time to time.

De-reservation of vacancies for SCs/STs/OBCs

*219. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether a large number of vacancies/posts reserved for SCs/ STs and OBCs are being "de-reserved" and filled by "others" despite imposition of ban on "de-reservation" of vacancies with effect from 1st April, 1989, by DOPT OM No.36012/6/88-Estt. (SCT) dated 25th April, 1989;

(b) if so, the reasons therefor; and

(c) the instances where vacancies/posts reserved for SCs/STs and OBCs have been de-reserved and filled by persons other than those for whom they were reserved since 1st April, 1989 in the Ministry of Finance and its attached and subordinate offices during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The Office Memorandum of the Department of Personnel & Training dated 25.4.1989, relating to ban on de-reservation in direct recruitment to vacancies under the Central Government,